

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2344
ANSWERED ON:01.08.2016
Demurrage Costs of OMCs
Simha Shri Prathap

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the demurrage costs are being incurred by the Oil Marketing Companies (OMCs) due to lack of requisite infrastructure in domestic ports;
- (b) if so, the details thereof along with the demurrage costs incurred during the last three years and the current year and the steps taken in this regard;
- (c) whether the Government has taken up the issue with the Ministry of Shipping with regard to shipping of petroleum products/crude oil at various ports; and
- (d) if so, the details thereof and the response of the Ministry of Shipping thereto along with the steps taken/being taken by the Government to minimise demurrage costs and provide better facilities at ports to the OMCs?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) to (d): Public Sector Oil Marketing Companies (OMCs) viz., Indian Oil Corporation Ltd.(IOCL), Bharat Petroleum Corporation Ltd.(BPCL), Hindustan Petroleum Corporation Ltd.(HPCL) have informed that demurrage costs are being incurred due to various reasons including lack of requisite infrastructure in domestic ports. The details of demurrage cost incurred are as follows:-

Demurrage cost Amt in Rs /Crs

OMC

2013-14

2014-15

2015-16

Q1,2016-17

IOCL

177.85

387.56

897.80

35.09*

BPCL

54.71

179.65

262.93

9.85

HPCL

54.56

123.27

180.23

4.41

Total

287.12

690.48

1340.96

49.35

*Demurrage on crude oil in case of IOCL for Q1 of 2016-17 is yet to be finalized.

Source: Petroleum Planning & Analysis Cell

Ministry of Petroleum and Natural Gas has been taking up problems being faced by Oil Companies in relation to shipping of petroleum products/crude oil with Ministry of Shipping from time to time. The following major steps have been taken by OMCs for improvement of infrastructure at domestic ports & port terminals:

- (i) Augmentation of crude pipeline capacity is being carried out by IOCL at Paradip & Vadinar.
- (ii) Installation of new pumping units/replacement of existing one and construction of additional tank at Paradip by IOCL for crude.
- (iii) MoU with Mumbai Port Trust has been signed by both HPC and BPCL for a new jetty.
- (iv) Commissioning of 2 additional LPG loading bays at Visakhapatnam by HPCL.
- (v) Augmentation of import facility at Mangalore.
